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8 [Proposed] Attorneys for the Official Committee
9 of Unsecured Creditors

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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

GABRIEL TECHNOLOGIES CORP., et al.,

Debtors.

Case No.: 13-30340 - DM
(Case No. 13-30341)

Chapter 11

(Jointly Administered)

**APPLICATION OF THE OFFICIAL
COMMITTEE OF UNSECURED
CREDITORS FOR ORDER APPROVING
EMPLOYMENT OF PACHULSKI STANG
ZIEHL & JONES LLP AS COMMITTEE
COUNSEL**

[No Hearing Requested]

The Official Committee of Unsecured Creditors (the “Committee”) of Gabriel Technologies Corporation and Trace Technologies LLC (collectively, the “Debtors”), duly appointed in the above-captioned cases, hereby submits this application (the “Application”) to employ Pachulski Stang Ziehl & Jones LLP (“PSZ&J” or the “Firm”), as its counsel, effective as of March 25, 2013.

I.

JURISDICTION

This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. Venue of these cases is proper pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicate for the relief sought herein is section 1103 of title 11 of the United States Code (the “Bankruptcy Code”).

II.

BACKGROUND

On February 14, 2013 (the “Petition Date”), the Debtors commenced these bankruptcy cases by each filing a voluntary petition under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court, Northern District of California, San Francisco Division (the “Court”), under the jointly administered case No. 13-30340-DM.

On March 18, 2013, the Office of the United States Trustee appointed the Committee. The members of the Committee are: (i) Robert Lamse; (ii) Gary D. Elliston; and (iii) DVQ, LLC. Mr. Lamse is the chairperson of the Committee

The Debtors are debtors in possession and no trustee or examiner has been appointed.

On March 25, 2013, the Committee selected PSZ&J as its counsel, subject to the approval of this Court.

III.

APPLICATION TO RETAIN AND EMPLOY PSZ&J

By this Application, pursuant to section 1103 of the Bankruptcy Code, the Committee seeks to employ PSZ&J as counsel to the Committee, effective as of March 25, 2013, to perform the legal services set forth herein.

Pursuant to section 1103(b) of the Bankruptcy Code, an attorney employed to represent the Committee may not, while employed by such committee, represent any other entity having an adverse interest in connection with these cases. 11 U.S.C. § 1103(b). PSZ&J has advised the Committee that the Firm does not represent any other entity having an adverse interest in connection with the Debtors or these cases.

The Committee has selected PSZ&J because of its extensive expertise and knowledge in the area of chapter 11 insolvency and business reorganizations. PSZ&J has served as counsel to unsecured creditors' committees in various chapter 11 cases. In addition, PSZ&J has served as general bankruptcy counsel to a wide range of debtors. The Firm also has extensive experience representing trustees, individual creditors, special interest committees, asset purchasers and investors in restructurings. A copy of the resume of Maxim B. Litvak of PSZ&J, who is primarily handling

1 the representation of the Committee, is attached hereto as **Exhibit A**. PSZ&J's depth of experience
2 in the areas of insolvency, business reorganizations and debtor/creditor matters makes it highly
3 qualified to represent the Committee. Therefore, the Committee believes that PSZ&J's retention is
4 in the best interest of the Debtors' unsecured creditors.

5 Subject to further order of this Court, PSZ&J may be required to render the following
6 services to the Committee, among others:

- 7 • to assist, advise and represent the Committee in its consultations with the Debtors and
8 other creditor constituencies or parties in interest regarding the administration of these
cases;
- 9 • to assist, advise and represent the Committee in analyzing the Debtors' assets and
10 liabilities, investigating the extent and validity of liens and participating in and
11 reviewing any proposed asset sales, other asset dispositions, financing arrangements
and cash collateral stipulations or proceedings;
- 12 • to assist, advise and represent the Committee in any manner relevant to reviewing and
13 determining the Debtors' rights and obligations under unexpired leases and executory
contracts;
- 14 • to assist, advise and represent the Committee in investigating the acts, conduct, assets,
15 liabilities and financial condition of the Debtors, the operation of the Debtors'
business and the desirability of the continuance of any portion of the business, and
16 any other matters relevant to these cases or to the formulation of a plan;
- 17 • to assist, advise and represent the Committee in its participation in the negotiation,
18 formulation and drafting of a plan of reorganization;
- 19 • to provide advice to the Committee on the issues concerning the appointment of a
20 trustee or examiner under section 1104 of the Bankruptcy Code;
- 21 • to assist, advise and represent the Committee in the performance of all of its duties
and powers under the Bankruptcy Code and the Bankruptcy Rules and in the
22 performance of such other services as are in the interests of those represented by the
Committee; and
- 23 • to assist, advise and represent the Committee in the evaluation of claims and any
litigation matters.

25 Subject to the applicable provisions of the Bankruptcy Code, the Committee proposes to pay
26 PSZ&J on an hourly basis, at rates that are at the Firm's customary hourly rates then in effect, and to
27 reimburse PSZ&J according to its customary reimbursement policies. Mr. Litvak is the attorney of
28 the Firm currently expected to be principally responsible for these cases, and his hourly rate is \$750.

1 The hourly rate for the paralegals assigned to these cases are: Patricia Jeffries (\$295) and Kati Suk
2 (\$235).

3 The Firm will exercise continuous billing judgment throughout the engagement and will staff
4 the case among other attorneys at the Firm in the most cost-efficient manner possible. PSZ&J
5 expects to receive a retainer of \$20,000 from Debtor's counsel in these cases.

6 PSZ&J categorizes its billing into subject matter categories in compliance with applicable
7 guidelines, including the *United States Bankruptcy Court Northern District of California Guidelines*
8 for *Compensation and Expense Reimbursement of Professionals and Trustees*. PSZ&J understands
9 that its compensation in these cases is subject to the applicable provisions of the Bankruptcy Code.

10 To the best of the Committee's knowledge, PSZ&J is "disinterested" in that it has no
11 connection with the Debtors, their creditors, any other party in interest herein, their respective
12 attorneys or professionals, the United States Trustee or any person employed in the Office of the
13 United States Trustee, except as set forth in the *Declaration of Maxim B. Litvak in Support of*
14 *Application of the Official Committee of Unsecured Creditors for Order Approving Employment of*
15 *Pachulski Stang Ziehl & Jones LLP as Committee Counsel*, filed concurrently herewith (the "Litvak
16 Declaration"). As stated more fully in the Litvak Declaration, PSZ&J does not hold, or represent
17 any entity having, an adverse interest in connection with the Debtors or these cases. PSZ&J does not
18 employ any person who is related to a judge of this Court. Accordingly, PSZ&J is qualified to
19 represent the Committee under section 1103 of the Bankruptcy Code.

20 **WHEREFORE**, the Committee requests that this Court approve the employment of
21 Pachulski Stang Ziehl & Jones LLP as counsel, effective as of March 25, 2013, to render services as
22 described above with compensation to be paid as an administrative expense at such times and in such
23 amounts as the Court may hereafter determine and allow under sections 507(a) and 503(b) of the
24 Bankruptcy Code.

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1 Dated: March 29, 2013

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4 /s/ Robert Lamse
5 Robert Lamse
6 Chairman of the Official Committee of
7 Unsecured Creditors

8 Submitted By:

9 Dated: March 29, 2013

10 PACHULSKI STANG ZIEHL & JONES LLP

11 By /s/ Maxim B. Litvak
12 Maxim B. Litvak
13 [Proposed] Attorneys for the Official
14 Committee of Unsecured Creditors